GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO:4077
ANSWERED ON:14.12.2001
EXCESS PAYMENTS
RAGHUNATH JHA

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether despite CAG audit reports having brought out cases of failure to recover excess payment from the exporters in 1997, 1998, 1999 and 2000 and for taking remedial / corrective measures, such excess payments continue to recur as has been pointed out by the CAG in its report No.2 of 2001 on pages 137-138;

(b) whether the CAG emphasised investigation and strengthening of internal control procedure;

(c) if so, the reaction of the Government thereto and the action taken against the delinquent officials and the details of measures taken for strengthening internal control procedures; and

(d) the outcome of the investigation made, if any and the action taken thereon?

Answer

MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI RAJIV PRATAP RUDY)

(a) : CAG report No.2 of 2001 had pointed out that excess payment to the tune of Rs.66,69,356/- had been made to certain firms. The said excess payment has since been recovered by the Office of the Joint Director General of Foreign Trade, Chennai.

(b) : Yes, Sir.

(c) & (d) : Directorate General of Foreign Trade, New Delhi has taken a serious view in the matter. The Office of the Joint Directorate General Foreign Trade, Chennai has been advised to take necessary steps to ensure that such instances do not recur.

Further, with a view to ensuring that such excess payments do not recur, rules have been simplified by replacing the graded cuts system by a single cut off point prescribing a cut of 10% for delays upto six months and refusing to entertain claims thereafter. A system has also been introduced whereby some prescribed percentage of the decided cases are reviewed by Sr. Officers on random basis.